Assessing the impact of COVID-19 on the Labour Account: A year since the onset of COVID-19

The impacts on the labour market during the COVID-19 period have varied by industry, as seen in the Labour Account

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Source: Labour Account Australia, March 2021

On this page

The Labour Account consists of four quadrant tables: Jobs, People, Hours and Payments. The Labour Account is able to combine data from the Jobs, People, Hours and Payments tables to calculate average hours worked, average remuneration (per person and per job), and average labour costs per job.

The impacts on the labour market since the onset of COVID-19 at the end of the March quarter 2020 have been wide ranging and continue to influence some aspects of the economy. While labour market indicators in certain industries had fully recovered by March 2021, to surpass their March 2020 levels, others continued to reflect ongoing impacts from restrictions to business activities.

A summary of the COVID-19 impacts on hours worked and filled jobs across each industry is provided below. Movements across the four quarters since March quarter 2020 are shown as an index, with March quarter 2020 represented as 100.

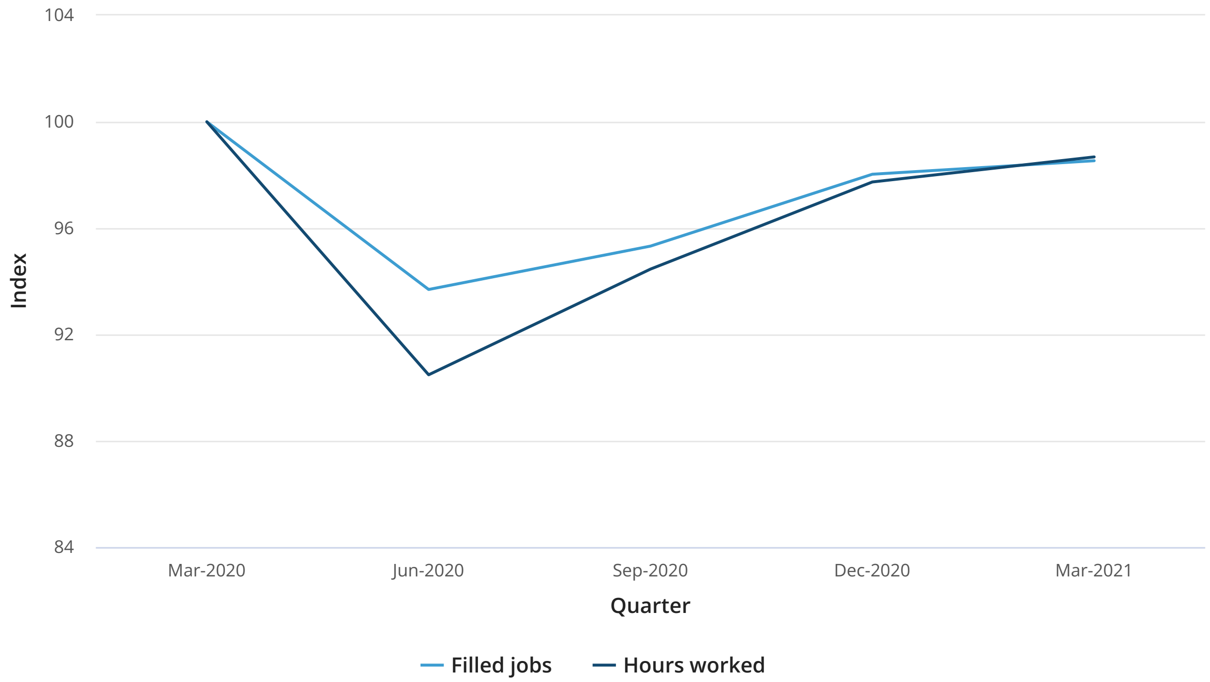
It should be noted that data presented below show estimates up to and including March

quarter 2021, prior to the end of the JobKeeper wage subsidy.

Hours

During times of a significant shock to the economy and the labour market, an earlier and larger impact is usually seen first in hours worked, ahead of changes in jobs and employment. This is evident in Graph 1, which shows the decline in hours worked in June quarter 2020 was much sharper than the decline in filled jobs.

Graph 1: Indexes, total all industries, March quarter 2020 to March quarter 2021

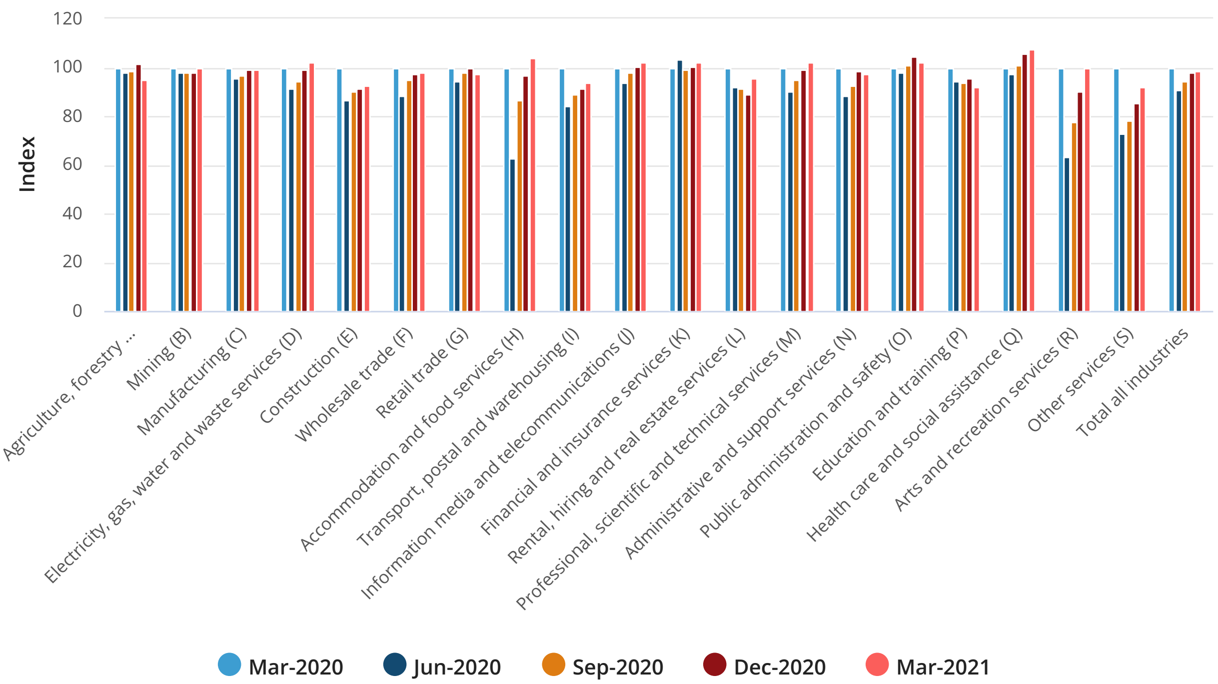


Industries heavily impacted by lockdowns, social distancing requirements and border restrictions saw significant shocks to hours worked during the June quarter 2020. Hours worked in some of these industries have since returned to or exceeded March quarter 2020 levels, while others still reflected impacts from ongoing restrictions.

At the total economy level, hours worked increased in the March quarter 2021 by 1.0% in seasonally adjusted terms. Graph 2 shows the changes in hours worked across industries

since March quarter 2020. Seven industries were above their March quarter 2020 hours worked levels, and the other 12 industries remained below.

Graph 2: Hours worked index, March quarter 2020 to March quarter 2021



The industries where hours were most impacted early in the COVID-19 period were Accommodation and food services and Arts and recreation services, with declines in the June quarter 2020 of 37.1% and 36.9%. While hours worked in March quarter 2021 in Accommodation and food services were 4% higher than March quarter 2020, hours worked in the Arts and recreation services industry remained around 0.5% lower.

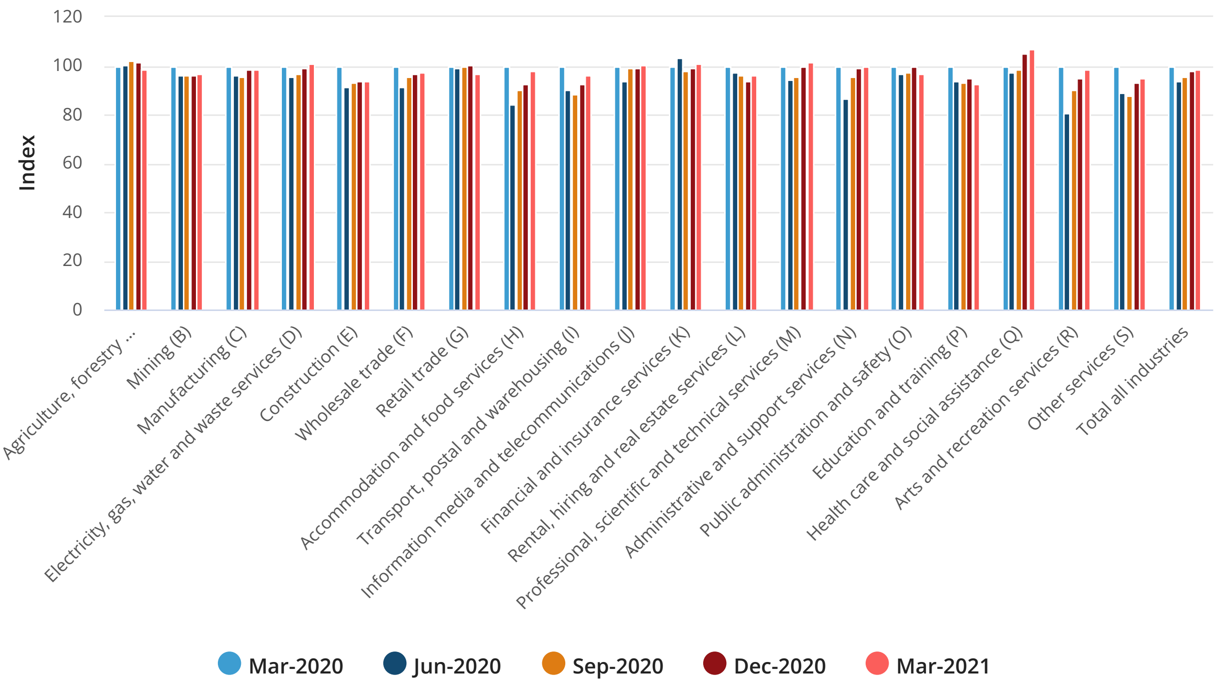
Hours worked in the Health care and social assistance industry were 7.2% above pre pandemic levels, the strongest increase in hours of all industries over this period. Hours worked in Education and training were 8.2% lower over the same period, the largest decline of all industries.

Jobs

While industries heavily impacted by COVID-19 saw large movements in filled jobs in the June quarter 2020, generally these were not as pronounced as movements in hours worked. This reflects some workers in these industries remaining employed but working reduced or zero hours, some of whom were in jobs supported by JobKeeper.

Filled jobs increased in the March quarter 2021 by 0.5% in seasonally adjusted terms. Graph 3 shows growth in filled jobs across industries since March quarter 2020. Five industries had more filled jobs in March quarter 2021, compared to March quarter 2020.

Graph 3: Filled jobs index, March quarter 2020 to March quarter 2021



Filled jobs were most impacted early in the COVID-19 period in the Accommodation and food services and Arts and recreation services industries, with declines of 16.0% and 19.5% in June quarter 2020. After a year, filled jobs in the Accommodation and food services industry remained 2.4% below March quarter 2020. Jobs in Arts and recreation services remained 1.2% below pre pandemic levels.

By March quarter 2021, filled jobs in the Health care and social assistance industry were

7.1% above pre pandemic levels, the strongest increase in jobs of all industries across this period. Jobs in Education and training were 7.7% lower over the same period, the largest decline of all industries.

The number of filled jobs in the economy in March quarter 2021 were around 213,000 below March quarter 2020. The number of filled jobs in the Education and training industry were around 85,000 below pre pandemic levels, while there were around 140,000 more jobs in Health care and social assistance.